

From: <Greg_N_Brown@URSCorp.com>
To: <jerry-h@ipsc.com>, <ralph-n@ipsc.com>
Date: 6/7/01 9:17:12 AM
Subject: IPSC Contract No. 01-45527, URS Response

Ralph and Jerry,

Following several discussions with my management team, I am pleased to submit the following changes to the three clauses that are unresolved in the OverScrub contract No. 01-45527.

Section B Item 10: Original Contract Reads;

"Changes to Comply With Performance Guarantees: If the first design for the OverScrub Technology fails to meet the performance guarantees of the Contract, the Contractor shall make all subsequent design changes including fabrication and installation of the changes, at no additional cost to IPSC. This would only apply on the first module installed and tested for compliance purposes. The cost for fabrication and installation of all subsequent modules will be borne by IPSC."

OK URS proposes to change it as follows;

"Changes to Comply With Performance Guarantees: If the first design for the OverScrub Technology fails to meet the performance guarantees of the Contract, the Contractor, (strikethrough: shall) ^{will} ~~may~~, with the consent of IPSC, make all subsequent design changes including 50% of fabrication and installation of the changes, not to exceed a limit of \$20,000, at no additional cost to IPSC. This would only apply on the first module installed and tested for compliance purposes. The cost for fabrication and installation of all subsequent modules will be borne by IPSC. All penalties assessed to the Contractor by IPSC for this clause shall be taken from the technology fee on the first module."

*make all
"shall" to Will
for Ralph*

Section C, Item 14: Original Contract Reads;

OK "Warranty: The Contractor warrants that the Contractor ^{will} ~~shall~~ perform the work in accordance with the standards of care and diligence normally practiced by recognized engineering firms performing work of a similar nature in existence at the time of performance of the work. If, following completion of the work on the applicable Project, it is shown there is an error in the work caused by the Contractor's failure to meet such standards, the Contractor shall correct, at no cost to IPSC, such work within the original scope of work as may be necessary to remedy such error."

The warranty period ^{will} ~~shall~~ begin for the OverScrub Technology on the date the design or Project, including all elements thereof, is placed in service by IPSC, and shall extend for five (5) years."

URS proposes to modify the original language as follows;

"Warranty: The Contractor warrants that the Contractor ^{will} ~~shall~~ perform the work in accordance with the standards of care and diligence normally practiced by recognized engineering firms performing work of a similar nature in existence at the time of performance of the work. If, following